

Office of Servicemembers' Group Life Insurance



AFCPE Military Pre-Conference

Scottsdale, AZ

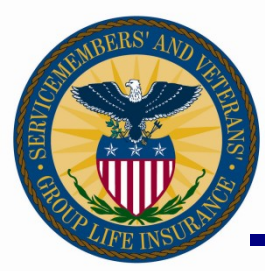
16 November 2009



What is OSGLI?

Establishment of OSGLI

- Office of Servicemembers' Group Life Insurance (OSGLI)
- The OSGLI was established on September 29, 1965, in accordance with Title 38 Section 1966(b) as the administrative office of Group Policy G-32000
- Group Policy G-32000 is a contract between the Prudential Insurance Company of America and the Department of Veterans Affairs
- OSGLI is part of Prudential's Insurance Division and is located in Roseland, New Jersey



What is OSGLI? (cont'd)

Administration of the SGLI/FSGLI/TSGLI Programs

- **Servicemembers' Group Life Insurance (SGLI)** program
 - Public Law 89-214, effective September 29, 1965
 - The individual branches of service maintain all SGLI records
 - OSGLI's administration is limited to:
 - Death claim processing
 - Medical underwriting (for SGLI coverage increases or restorations)
- **Family Servicemembers' Group Life Insurance (FSGLI)** program
 - Public Law 107-14, effective November 1, 2001
 - The individual branches of service maintain all FSGLI records
 - OSGLI's administration is limited to:
 - Death claim processing
 - Medical underwriting (for FSGLI coverage increases or restorations)
- **Traumatic Injury Protection under SGLI (TSGLI)**
 - Public Law 109-13, effective December 1, 2005



What is OSGLI?

Administration of the VGLI Program

- **Veterans' Group Life Insurance (VGLI) program**
 - Established under Public Law 93-289, effective May 24, 1974
 - OSGLI administers the VGLI program
 - OSGLI maintains all VGLI records
 - OSGLI performs all claim processing is also handled by OSGLI



SGLV 8286 – Beneficiary Election

Print completed Form
Clear Form
Print Blank Form

Please read the instructions before completing this form.

Servicemembers' Group Life Insurance Election and Certificate

Use this form for: (check all that apply) <input type="checkbox"/> Name or update your beneficiary <input type="checkbox"/> Reduce the amount of your insurance coverage <input type="checkbox"/> Decline insurance coverage			Important: This form is for use by Active Duty and Reserve members. This form does not apply to and cannot be used for any other Government Life Insurance.	
Last name	First name	Middle name	Rank, title or grade	Social Security Number
Branch of Service (Do not abbreviate)			Current Duty Location	

Amount of Insurance

By law, you are automatically insured for \$400,000. If you want \$400,000 of insurance, skip to Beneficiary(ies) and Payment Options. If you want less than \$400,000 of insurance, please check the appropriate block below and write the amount desired and your initials. Coverage is available in increments of \$50,000. If you do not want any insurance, check the appropriate block below and write (in your own handwriting), "I do not want insurance at this time."

Declining SGLI coverage also cancels all family coverage and traumatic injury protection under the SGLI program.

☐ I want coverage in the amount of \$ _____
☐ _____

(Write "I do not want insurance at this time.")

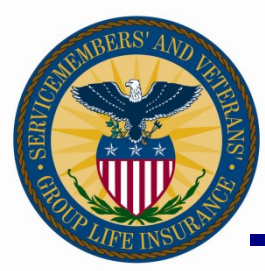
Your initials _____

*Note: Reduced or refused insurance can only be restored by completing form SGLV 8286 with proof of good health and compliance with other requirements. Reduced or refused insurance will also affect the amount of Veterans' Group Life Insurance you can convert to upon separation from service.

Beneficiary(ies) and Payment Options

I designate the following beneficiary(ies) to receive payment of my insurance proceeds. I understand that the principal beneficiary(ies) will receive payment upon my death. If all principal beneficiaries predecease me, the insurance will be paid to the contingent beneficiary(ies).

Complete Name (first, middle, last) and Address of each beneficiary	Social Security Number (if known)	Relationship to you	Share to each beneficiary (Use %, fractions or tenths)	Payment Option (Lump sum or 36 equal monthly payments)
Principal				
1.				▼
2.				▼
3.				▼
4.				▼
<input type="checkbox"/> Additional Principals on page 4 (check if applicable)				
Contingent				
1.				▼
2.				▼

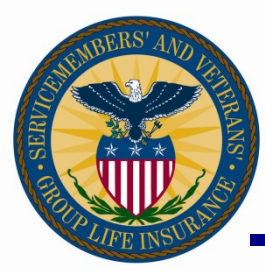


Payment of Death Benefits

Prudential's Alliance Account®*

- The Alliance Account offers the following features:
 - A personal interest-bearing account
 - To use the account, simply write a check
 - One check may be written for the entire amount and to close the account or checks written as needed

* Open Solutions Inc. is the Service Provider of the Prudential Alliance Account Settlement Option, a contractual obligation of The Prudential Insurance Company of America, located at 751 Broad Street, Newark, NJ 07102-3777. Check clearing is provided by JPMorgan Chase Bank, N.A. and processing support is provided by First Data Payment Services (FDPS). Alliance Account balances are not insured by the Federal Deposit Insurance Corporation (FDIC). Open Solutions Inc., JPMorgan Chase Bank, N.A., and First Data Payment Services are not Prudential Financial companies.



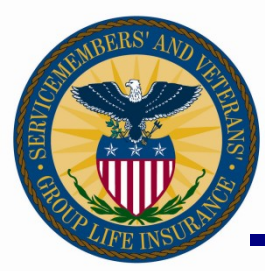
Payment of Death Benefits (cont'd)

■ **36 Monthly Installment Option**

- If elected by the insured this option cannot be changed
- The benefit will be paid in 36-equal monthly installments
- Subsequent payments will be received the 1st of each month by check
- Direct deposit is not available, may be added in 2010

■ **Letter of Indebtedness (LOI)**

- If no guardian/conservator is to be appointed for a child, the funds will be held by our office under a LOI until the minor reaches legal age
- The funds will earn interest from the date of the insured's death to the date of distribution
- This is a holding account – not a trust or bank account



Accelerated Benefit Option (ABO)

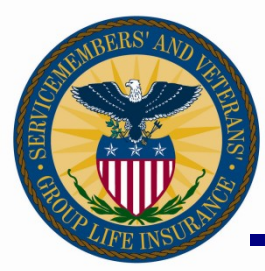
- **What is the Accelerated Benefits Option?**

The Accelerated Benefit Option gives terminally-ill SGLI and VGLI policyholders access to the death benefits of their policies before they die. The member may receive up to 50% of the face value of the insurance in a lump-sum payment

The amount requested will be reduced by the amount of interest that would have been earned on the policy (over nine months) had the benefit not been claimed. Therefore, the check will be less than the amount claimed

- **Who is Eligible to Receive Accelerated Benefits?**

A member is eligible to receive an Accelerated Benefit if he/she or a covered spouse has a written prognosis from a physician of 9 months or less to live; and is mentally competent



Accelerated Benefit Option (ABO)

continued

- **Who Can Apply for Accelerated Benefits?**

Only the insured member may apply for an Accelerated Benefit. No one else can apply on the member's behalf. In the case of a terminally ill spouse, only the member may apply for accelerated benefits

- **What is the Amount of Accelerated Benefit Available?**

The amount of Accelerated Benefit available to a member is up to 50% of the face value of the member's insurance coverage. If a member elects less than the maximum, the amount requested must be in increments of \$5,000

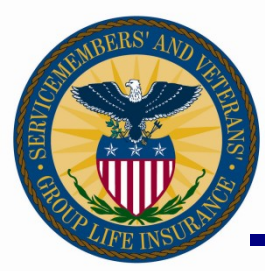
- **What Happens to the Rest of the Insurance?**

The portion of the face value of insurance which is not paid in a lump sum as an accelerated benefit is payable to the member's designated beneficiary(ies) upon his or her death. In the case of a terminally ill spouse (FSGLI), the remainder of the insurance is payable to the member upon the spouses death



TSGLI Payment Options

- **TSGLI payments will be made by one of the following methods:**
 - **Electronic Funds Transfer (EFT):** This option is available to the service member or the member's guardian or attorney-in-fact
 - **Prudential's Alliance Account:** This option is available only to the service member. If the member is deceased, the member's SGLI beneficiary will receive payment via the Alliance Account
 - **Check:** This option is available only to the service member's guardian or attorney-in-fact



Beneficiary Financial Counseling Services (BFCS)

- Free financial counseling service provided by FinancialPoint® -
 - Counselors do not sell products or work on commission
 - Toll-free 24 hours a day access
 - Located in your community
- Informational pamphlet - TSGLI and SGLV/VGLI
 - Sent with benefits payment to beneficiary
 - Reminders sent for one year after payment
- Beneficiary or representative must request service
 - Financial Readiness Questionnaire mailed to beneficiary
 - FinancialPoint® creates a financial plan
 - TSGLI Recipients can request the service on the claim form
- Beneficiary has 2 years from the date of payment to take advantage of this benefit and can use the service for 2 years from requesting the service



Beneficiary Financial Counseling Services (BFCS)

Role of the Casualty Assistance Officer (CAO):

- Do not delay contacting FinancialPoint®
- You can call toll free (888) 243-7351 on behalf of the beneficiary to request a Financial Readiness Questionnaire for the beneficiary
- Follow-up with the beneficiary for completion & return to FinancialPoint®
- Remind the beneficiary that he/she can call **just to ask questions**